

**Department of Natural Resources
Timber Report
Fourth Quarter Fiscal Year (FY) 2010-11**

Background

Michigan's state forest system was originally certified under both the Sustainable Forestry Initiative (SFI) and the Forest Stewardship Council (FSC) third party forest certification standards in December 2005. Michigan successfully re-certified under both Standards in December 2010.

Forest certification protocols require public participation in forest management planning and forest operations. The Department's compartment review process has been audited under both the SFI and the FSC standards and has been recognized as a key public participation mechanism that meets requirements for forest certification.

The Department of Natural Resources' investment in forest certification strengthens Michigan's forest products sector. Certification is essential in order for primary wood producers in Michigan to have continued access to national and international markets.

Fourth Quarter FY 2010-11 Timber Treatments

State forest planning and activities, including timber treatments, are conducted within the framework of SFI and FSC forest certification principles and standards, which take into consideration wildlife habitat and recreation uses.

Each year, timber harvest treatments are prescribed for both softwood (coniferous) and hardwood (deciduous) tree species. Although hardwood and softwood trees often grow together, forest stands are typically coded by the predominant tree species present. The table below reports hardwood¹ forest stands prescribed for treatment by Year of Entry (YOE).

Year of Entry (YOE)	Hardwood acres prescribed
2007	34,758
2008	41,144
2009	34,986
2010	32,630
2011	30,962

The FY 2010-11 plan of work identified 60,747 acres approved through the compartment review process which could be available for timber sale preparation. Resources were allocated for all of these acres. The total number of inventory acres accomplished was approximately 59,597. Acres not accomplished will be carried over to the next fiscal year.

¹ Hardwood cover types include aspen, birch, mixed northern hardwoods, oak, swamp hardwoods, and lowland poplar.

Timber sale marking contracts were awarded in the first three quarters of FY 2010-11 for a total of 5,788 acres. In FY 2010-11, the Department submitted 53,526 acres for timber sale auction from the state forest system, with an estimated volume of 801,600 cords. A total of 51,874 acres were sold in FY 2010-11, with an estimated volume of 786,000 cords.

Changes made to the appraisal and no-bid processes developed in FY 2006-07 have continued to help the Department to be responsive to market conditions. The percentage of sales not receiving bids was about 3%. This is a significant drop from a high of 24% of sales not receiving bids in FY 2006-07, and is the lowest rate since FY 2004-05. The table below summarizes the number and percentage of sale offerings with no bids for FY 2010-11.

No-Bid Summary:

FY 2010-11	Total sales offered in the quarter ²	Offerings with no bids ³	Percent (%) of sales that were no-bid
1 st quarter	127	4	3%
2 nd quarter	117	2	2%
3 rd quarter	231	4	2%
4 th quarter	165	11	7%
Total	640	21	3%

² Includes sales that have been modified and re-offered.

³ Includes sales that were no-bid more than once.